

# KENTUCKY AGRICULTURAL DEVELOPMENT FUND UPDATE

MAY 1, 2005

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*Cultivating rural  
prosperity*



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## ADF Meeting in Review

At its March and April meetings, the Kentucky Agricultural Development Board approved just over \$2.77 million in diversification projects for Kentucky agriculture.

Fifteen non-model projects were approved for \$267,500 in county funds and \$974,640 in state funds. These projects ranged in scope from value-added wood products to agri-tourism business development.

The balance of funds (\$1.4million) approved were for 11 of the 13 county model programs. County model programs provide farmers with cost-share funds to improve and diversify their current enterprises.

### Agricultural Diversification

\$240,256 / 8 counties

### Cattle Genetics Improvement

\$157,836 / 9 counties

### Cattle Handling

\$66,948 / 5 counties

### Dairy Diversification

\$133,700 / 3 county

### Fencing Improvement

\$165,000 / 3 counties

### Forage Improvement

\$319,269 / 7 counties

### Goat Diversification

\$4,683 / 2 counties

### Hay, Straw, Commodity Storage

\$318,357 / 3 counties

### On-farm Water Enhancement

\$20,000 / 1 counties

### Shared-use Equipment

\$5,890 / 1 counties

### Technology

\$102,500 / 1 county



*A school group visits the petting zoo at "R" Farm Pumpkins & More in Maysville.*

[PHOTO: "R" Farm Pumpkins' web site]

At the March meeting the Board reviewed the first round of applications for the 2005 Agri-tourism Competitive Awards Program.

Eight farmers' markets totaling \$292,200 were approved in this first round of funding.

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## ADF Board Meetings in Review

(Continued from page 1)

### AGRI-TOURISM BUSINESSES

#### APPROVED:

- Acres of Land (Madison Co.)
- Boyd Orchards (Woodford Co.)
- Chaney's Dairy Barn (Warren Co.)
- Evans Orchard & Cider Mill (Scott Co.)
- Farmer Bill's (Grant Co.)
- 'R' Farm Pumpkins & More (Mason Co.)
- Serenity Hill Farm (Jessamine Co.)
- Terrapin Hill Farm (Mercer Co.)

The 2005 Agri-tourism Competitive Awards Program is a \$1.0 million awards program for producers engaging in an on-farm Agri-tourism Business and Regional Agri-tourism Organizations engaging in marketing and promotion for Agri-tourism Businesses in multiple counties. The available funds are divided between two rounds of funding. The deadline

for the next round of competitive agri-tourism awards is August 1, 2005.

At the April meeting the Board heard presentations from Raque Distribution, as well as the Burley Tobacco Growers Cooperative (BTGC).

Rick Raque, co-owner of Raque Distribution, presented a plan to promote Kentucky Proud and help interested producers learn what it takes to get into large and small grocery chains. Mr. Raque could also assist producers in product development from conception to reality.

Danny McKinney, CEO of the BTGC, provided the Board with background on the Coop and discussions of future plans for the Coop.

For more information on projects receiving funds at these meetings, visit [agpolicy.ky.gov/news.shtml](http://agpolicy.ky.gov/news.shtml).

## Model Program Update: Producer Reports

In early 2004, the Governor's Office of Agricultural Policy worked with UK officials, extension agents, and industry experts to develop the **Producer Report** forms to help program administrators obtain the necessary information for reporting. The **Quarterly Fiscal Report**, which provides detail on how model program funds are being spent, and the **Close-out Report**, which provides important data to eventually help determine the economic impact of the model programs, both get their information from the Producer Report.

### PRODUCER REPORT FORMS

The Producer Report forms are available on the GOAP web site and have been updated to correspond to the changes in the 2005 Model Program Guidelines.

The Producer Report form is to be submitted to the program administrator by the producer before the producer receives cost-share reimbursement. The administrator then uses the information provided to fulfill their reporting requirements.

For more information, call (502) 564-4627.

### FORAGE PROGRAM:

#### SEED LIST UPDATE

Updates since  
January 2005

#### Alfalfa Varieties:

FSG 408DP  
Kingfisher 222  
Kingfisher Excelsior  
Reward II

#### Red Clover Varieties:

FSG 9601

#### Orchard Grass Varieties:

Extend

#### Timothy Varieties:

Summit

In April 2005, the Agriculture Development Board approved Endophyte-free Tall Fescue and Novel Endophyte Fescue as new species available under the Cool Season Grasses.

Specific varieties will be posted, as soon as they become available.

### GENETICS PROGRAM:

#### EPD UPDATE

Updated

February 2005

#### Breeds Updated:

Angus  
Hereford  
Maine-Anjou  
Shorthorn

## Agri-tourism Awards

The following are summaries of the projects that received funds in the first round of the 2005 Competitive Agri-tourism Awards.

### ACRES OF LAND

Acres of Land was approved for \$5,000 in Madison County and \$50,000 in state funds to establish a vegetable processing and retail deli operation at the current agri-tourism site to provide to Kentucky producers markets for their products.

### BOYD ORCHARDS

Boyd's Orchard was approved for \$1,000 in Woodford County and \$50,000 of state funds to establish a commercial kitchen with a cooler and value added equipment to expand the existing agri-tourism facility and allow for the expansion of purchasing Kentucky grown products.

### CHANEY'S DAIRY BARN



Chaney's Dairy Barn was approved for \$50,000 in state funds to support the expansion of the existing agri-tourism business, which serves as a marketing outlet for

Kentucky products.

### EVANS ORCHARD

Evans Orchard was approved for \$31,900 in state funds to support the expansion of the existing agri-tourism venture by renovating a current outdoor shed into a certified kitchen and sales area.



### FARMER BILL'S

Farmer Bill's was approved for \$50,000 in state funds to support the expansion of the existing agri-tourism venture by renovating an existing tobacco barn to create a retail market for the sale of produce, value-added products, crafts, and a variety of Kentucky products.



### "R" FARM PUMPKINS & MORE

"R" Farm Pumpkins & More, LLC was approved for \$15,000 in state funds to expand and promote the existing agri-tourism operation, while impacting local producers by providing new marketing outlets for products.

### SERENITY HILL FARM

Serenity Hill Farm was approved for \$2,000 in Jessamine County and \$15,000 in state funds for the restoration of an 1820's log cabin that will serve as a retail outlet for Kentucky products and as a site for classes and presentations on sheep and goat fiber production.

### TERRAPIN HILL FARM

Terrapin Hill Farm was approved for \$27,300 in state funds to renovate a farmhouse to create an education center focusing on the benefits of local food systems, while providing a marketing outlet for local farm products.



PHOTO: Chaney's Dairy Barn Web

Farm tours are one of many offerings to visitors of Chaney's Dairy Barn in Bowling Green.

### APPLICATION DEADLINES

#### Model Programs & Amendments:

Due 1st Friday of each Month for consideration at that month's Board meeting.

#### Non-Model Project Applications:

Due 2nd Friday of each Month for referral and consideration at the next month's meeting.

### OTHER REQUIREMENTS

#### Non-model Applications:

Applicant responsible for providing GOAP the **original** and **16 copies** of their submitted application.

#### Model Program

##### Applications:

Program Administrator responsible for providing GOAP the **original** and **1 copy** of their submitted application.

The deadline for the 2nd round of funding for agri-tourism is August 1, 2005.

## USDA Buyout Rules Published

WASHINGTON, April 5, 2005 – The U.S. Department of Agriculture today announced publication of the regulation implementing the **Tobacco Transition Payment Program (TTPP)** in the Federal Register on April 4, 2005. The TTPP provides transition payments to eligible quota holders and producers in annual installments over a 10-year period beginning in 2005 and ending in 2014. Sign-up for TTPP began March 14, 2005 and will end June 17, 2005.

This rule provides regulations for the TTPP, as required by Title VI of the American Jobs Creation Act of 2004 (the 2004 Act) that ended the tobacco marketing quota and price support loan programs. USDA's Commodity Credit Corporation intends to make the 2005 payment to eligible tobacco quota holders and producers between June and September of 2005 and subsequent payments during January of each year. These payments are being funded through assessments from importers and manufacturers of tobacco products.

The payment to quota holders is the 2002 basic quota established for a farm times \$7 per pound. The payment to producers is the 2002 effective quota for tobacco produced on the farm, adjusted for lease, transfer and undermarketings, times \$3 per pound. These payments rates are statutory requirements. The formulas for calculating payments to quota holders and producers are also published in the Federal

Register notice. Prior to sign up, all known quota holders and/or producers received a letter providing more detailed information.

Beginning with the 2005 payment, quota holders and producers may assign the payment to another party under certain conditions. In 2006, successor-in-interest contracts may also be entered into in return for a lump-sum payment.

This final rule contains a provision with regards to the manner in which refunds relating to assessments paid in the 2004 and prior marketing years by importers of flue-cured and burley tobacco may be submitted. CCC will not accept requests for refunds after Aug. 1, 2005, for flue-cured tobacco and Nov. 1, 2005, for burley tobacco.

For more information on TTPP, contact your local USDA Service Center, the National Tobacco Call Center at 1-866-887-0140 or the Farm Service Agency Web site at [www.fsa.usda.gov/tobacco](http://www.fsa.usda.gov/tobacco).

## Phase II Update

**O**n May 16, 2005 the Certification Entities, Trustee and Tobacco Companies will appear before the North Carolina Supreme Court at 9:30 a.m. for oral arguments. Each side will have 30 minutes to argue their position. There is no timeline set for a decision by the high court.

Visit [tobaccotrust.ky.gov/phase\\_ii/](http://tobaccotrust.ky.gov/phase_ii/) for updates as they become available.

## GOAP WEBSITE UPDATES

### County Account Availability (4/27/2005) posted:

<http://agpolicy.ky.gov/funds/availability.shtml>

### ADF Board Meeting

#### Details updated:

<http://agpolicy.ky.gov/board/meetings.shtml>

#### Calendar updated:

<http://agpolicy.ky.gov/calendar.shtml>

### Educational Events & Festivals Calendar:

<http://agpolicy.ky.gov/kcade/education.shtml>

[agpolicy.ky.gov](http://agpolicy.ky.gov)

## FUTURE MEETINGS

### KADF Board Meeting

Friday, May 20  
10:00 a.m.  
Frankfort

### Tobacco Settlement Oversight Committee

Tuesday, May 11  
1:00 p.m.  
Frankfort

### KY Ag. Finance Corporation

Friday, May 6  
Frankfort

\*\*Meeting locations & times  
subject to change\*\*